

Out-brief : Group 1

Day 1

What is your vision for TOC Reduction within the DoN over the next five years?

- **Link to overall Navy vision**
- **Value assigned to the Warfighting capabilities related to threats**
- **Develop and implement ABM**
- **More emphasis on Partnering - Trust based relationship**
- **Lean Enterprise**
- **Reduction of O&S costs focusing on increased readiness through RMS**
- **Reduction in infrastructure**
- **Develop trust between customers and suppliers**
- **Commitment at all levels**
- **Fully educated work force and fleet**

What are the Roadblocks to TOC Reduction in the DoN and DoD?

- **Clear, unambiguous, consistent and coordinated direction from senior management**
- **Unwillingness of Congress to accept DoD initiatives in reducing infrastructure**
- **Reengineer PPBS, statutes, policies, etc. to provide more flexibility to apply TOC initiatives**
- **No effective process for killing programs**
- **Lack of incentives**
- **Disconnect between senior and junior levels**
 - Junior will pay penalty for senior's decision
 - Senior will be gone when decision is implemented
- **No central accountability for TOC components**
- **Color of money**

Out-brief : Group 2

Day 1

Team 2 Vision/Mission

- Mission: To Institutionalize TOC reduction to meet mission requirements at the lowest possible cost to the Service and enable us to achieve the DSAC goals.
- Greatest opportunities for cost reduction:
 - Infrastructure--operating and support, manpower
 - Identification and ongoing review of Cost Drivers throughout the system lifecycle
- Initiatives
 - Incentives
 - Tailored product support
 - Tailor industry best practices. Use CAM-I

Team 2 Road Blocks

- No single DoD goal/vision
- Manpower and Infrastructure
 - Congressional influence in districts
 - Cultural and psychological influences
- Upfront investment cost
 - No proven incentive policy
 - Lack of trust in the process
 - Fear of taking a risk
- Ineffective incentive system
- "Followership"--turnover of senior leadership allows them to be "waited out"
- Resistance to change and risk aversion

Team 2 Road Blocks (con't)

- Solutions
 - Reinterpret Title 10
 - Publicize success stories
 - Color of money
 - Trained integration team to put the Sec 912 reports together

What is your vision for
TOC Reduction within the
DoN over the next five
years?

What are the roadblocks
to TOC Reduction in the
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Day 1 Outbrief: Group 3

18 May 1999

Where Do We Want to Go With TOC?

- **Vision:** A TOC culture that is integrated across Government and Industry and addresses all phases.
 - Increase readiness while reducing O&S
 - Highest quality products at the lowest possible costs
 - Optimize across platforms and segments
- **Opportunity:** Reduce the logistics footprint
- **Initiatives:**
 - Invest R&D to realize out-year savings
 - Training
 - Pilot programs
- **Metrics & Tools:**
 - Standardize cost measures & tools
 - Increase use of M&S

Roadblocks to TOC Reduction

- **Organizational**
 - **Stovepiping, suboptimization and multiple layers of bureaucracy**
 - **Inaccurate or incomplete TOC baselines & unrealistic goals**
- **Political (Top 3 - More were found!)**
 - **Incentivising Industry**
 - **Lack of credibility of purported savings (in the eyes of OSD, Congress, etc.)**
 - **Rice bowls & stovepipes**
- **Procedural (Top 4 - More were found!)**
 - **Policy & goals developed w/o stakeholder involvement**
 - **Inadequate databases & measuring systems**
 - **Losing funding when initiative identified**
 - **Time consuming**

Out-brief : Group 4

Day 1

What IS your VISION for TOC Reduction within the DoN over the next five

years?

- Before we can manage, we must first understand
- DoN is the lead service in the practice of TOC reduction.
- PMs/PEOs/Resource Sponsors will need to feel comfortable that their programs/interests are safeguarded.
- A true gov't and industry partnership with each sharing knowledge and a portion of the savings.
- TOC fully institutionalized
- Reduce TOC by 10 % for legacy systems and 20 % for new systems after 5 years as a goal.
- Establish a TOC fund.

What are the roadblocks to TOC Reduction in the DoN?

- Fear
- Cost
- Leadership
- Integrity
- Process